Revere Bank Announces Record Earnings for the Third Quarter of 2019 – Net Income of $8.25 Million Increased 17.7% Over the Third Quarter of 2018

Rockville, MD October 24, 2019 – Revere Bank (the "Bank") (OTCQX: REVB) today reported record quarterly net income of $8.25 million for the quarter ended September 30, 2019, a 17.7% increase compared to net income of $7.01 million for the quarter ended September 30, 2018, and a 4.3% increase over the quarter ended June 30, 2019. Net income per diluted common share increased 3.1% to $0.67 for the third quarter of 2019 compared to $0.65 for the same period in 2018. Net income per basic common share for the third quarter of 2019 was $0.69 compared to $0.68 for the same period in 2018, an increase of 1.5%. Both diluted earnings per share and basic earnings per share increased due to higher net income, and were also affected by our successful capital raise in September 2018, in which we issued 1.6 million additional shares of common stock. Compared to the second quarter of 2019, diluted earnings per share and basic earnings per share increased by 3.1% and 4.5%, respectively, driven primarily by increased earnings.

For the nine months ended September 30, 2019, net income was $23.66 million, a 15.9% increase compared to net income of $20.42 million for the nine months ended September 30, 2018. Despite increased earnings, our year-to-date net income per diluted common share decreased $0.01 per diluted common share to $1.93 for the nine months ended September 30, 2019, compared to $1.94 per diluted common share for the nine months ended September 30, 2018. This decrease in our diluted earnings per share was caused by the September 2018 capital raise.

Quarterly Highlights

- On September 24, 2019, we announced that Revere Bank will be acquired by Sandy Spring Bancorp, Inc., in an all stock transaction that is expected to close during the first half of 2020.
- Net income grew by 17.7% compared to the third quarter of 2018 and by 4.3% compared to the second quarter of 2019.
- Period end loans grew 18.5%, or $369.0 million, compared to the third quarter of 2018, and grew 3.1%, or $71.5 million, compared to the second quarter of 2019.
- Period end deposits grew 19.8%, or $387.0 million, compared to the third quarter of 2018, and grew 9.9%, or $209.6 million, compared to the second quarter of 2019.
- Net interest margin was 3.57% for the third quarter of 2019 compared to 3.69% for the third quarter of 2018, and 3.72% for the second quarter of 2019. The margin decrease in the third quarter was primarily driven by the strong deposit growth and a large increase in our cash balances which impacted our earning asset mix compared to prior periods.
- Efficiency ratio improved to 48.84% for the third quarter of 2019 compared to 52.53% for the same period last year and increased slightly compared to 48.47% for the linked quarter.
- Return on average equity was 11.20% for the third quarter of 2019, compared to 13.00% for the third quarter of 2018 and 11.27% for the second quarter of 2019.
- Tangible book value was $22.14 as of the quarter ended September 30, 2019, compared to $19.09 and $21.40 for the third quarter of 2018 and the second quarter of 2019, respectively.

Ken Cook, Co-President and CEO, said, "Our loan, deposit and profit momentum continues as we posted strong quarterly, year-to-date, and year-over-year results. We are very proud of our team and the alignment throughout the Bank as we continue to establish and grow relationships with businesses and individuals throughout our market."

Drew Flott, Co-President and CEO, added, "We are very pleased with another quarter of strong loan, deposit and earnings growth. While we saw a dip in the net interest margin, due primarily to a swing in our earning asset mix, our strong balance sheet growth allowed us to increase our net interest income by more than $1 million, or over 5%, compared to last quarter."

Earnings and Growth Highlights

Quarter end highlights

In thousands, except per share data	For the Three Months Ended			Change Compared to	
	September 30, 2019	June 30, 2019	September 30, 2018	June 30, 2019	September 30, 2018
Net Income	$ 8,247	$ 7,906	$ 7,006	$ 341	$ 1,241
Earnings per share - basic	0.69	0.66	0.68	0.03	0.01
Earnings per share - diluted	0.67	0.65	0.65	0.02	0.02
Loans (period end)	$ 2,366,490	$ 2,294,945	$ 1,997,511	$ 71,545	$ 368,979
Deposits (period end)	2,337,430	2,127,831	1,950,385	209,599	387,045

Third quarter net income increased $1.24 million, or 17.7%, compared to the third quarter of 2018, and increased $341 thousand, or 4.3%, compared to the second quarter of 2019. The increase compared to both periods was primarily driven by loan growth and the FDIC small bank premium credit partially offset by the impact of higher interest rates on deposits, an increase in salaries and benefits expense, and merger costs. The third quarter diluted earnings per share increased $0.02 per diluted share compared to the second quarter of 2019, driven by increased net income. Compared to the prior year quarter, diluted earnings per share increased $0.02 per share, due to an increase in net income which was offset partially by the impact of the incremental share count increase from our capital raise late in the third quarter of 2018.

Our continued earnings growth is driven by strong loan and deposit growth. As of September 30, 2019, loans were $2.37 billion, an increase of 18.5% compared to loans of $2.00 billion as of September 30, 2018, and an increase of 3.1% compared to loans of $2.29 billion as of June 30, 2019. Total deposits increased by 19.8% compared to $1.95 billion as of September 30, 2018, and core deposits, defined as total deposits excluding brokered deposits and listing service deposits, increased by 21.2% compared to the same period. Total deposits increased 9.9% to $2.34 billion as of September 30, 2019, compared to $2.13 billion as of June 30, 2019.

Year-to-date highlights

In thousands, except per share data	For the Nine Months Ended		
	September 30, 2019	September 30, 2018	Change
Net Income	$ 23,662	$ 20,415	$ 3,247
Earnings per share - basic	1.99	2.02	(0.03)
Earnings per share - diluted	1.93	1.94	(0.01)

For the nine months ended September 30, 2019, net income increased $3.25 million, or 15.9%, to $23.66 million compared to $20.42 million for the nine months ended September 30, 2018. The increase in net income was primarily due to an increase in income due to higher loan growth partially offset by an increase in the cost of deposits and an increase in salaries and benefits expense. Diluted earnings per share for the nine months ended September 30, 2019, decreased $0.01 per share compared to the same period last year, driven by the capital raise, despite increased earnings.

Income Statement Review

For the three months ended September 30, 2019

Net interest income

In thousands	For the Three Months Ended September 30, 2019	June 30, 2019	September 30, 2018	Change Compared to June 30, 2019	September 30, 2018
Interest income	$ 33,718	$ 31,622	$ 27,403	$ 2,096	$ 6,315
Interest expense	9,743	8,831	6,559	912	3,184
Net interest income	$ 23,975	$ 22,791	$ 20,844	$ 1,184	$ 3,131
Yield on interest-earning assets	5.02%	5.16%	4.85%	(14) bps	17 bps
Cost of interest-bearing liabilities	1.95%	1.93%	1.51%	2 bps	44 bps
Net interest margin	3.57%	3.72%	3.69%	(15) bps	(12) bps

On a year-over-year basis, our net interest income continues to grow and drive increased earnings. Third quarter net interest income increased 15.0% compared to the same period last year driven primarily by strong loan growth and an increase in the yield on interest-earnings assets, offset by an increase in our cost of deposits. Compared to the linked quarter, net interest income improved 5.2%. This improvement was primarily caused by loan growth and significant overnight investments combined with one additional day in the period, offset by a moderate increase in the cost of interest-bearing liabilities.

Our current quarter's net interest margin decreased 15 basis points from the linked quarter. Our deposit growth was significantly stronger than our robust loan growth in the third quarter. This mismatch changed the mix within our earning assets. More than half of the decrease in our quarterly margin is attributable to the change in our earning asset mix. The majority of the rest of the margin decrease was associated with the two Federal Reserve rate decreases and deposit rates declining at a slower pace than loan rates. Also impacting the lower net interest margin was a slightly higher cost of interest-bearing liabilities caused by a change in deposit mix.

When compared to the quarter ended September 30, 2018, our net interest margin decreased 12 basis points. This decrease was driven by a flattened yield curve. Our cost of interest-bearing liabilities has increased 44 basis points which was partially offset by an increase of 17 basis points in our yield on interest-earning assets.

The impact of the increase in the cost of interest-bearing liabilities on net income has been partially mitigated by strong growth in our non-interest-bearing deposits of 14.5% and 27.1% compared to the second quarter of 2019 and the third quarter of 2018, respectively.

Provision for Loan Losses

For the third quarter of 2019, the provision for loan losses decreased $34 thousand and increased $757 thousand compared to the second quarter of 2019 and third quarter of 2018, respectively. Exceptionally strong loan growth during the second quarter of 2019 required a larger provision than was required during the third quarter of 2019. The provisions were also impacted by net charge-offs of $503 thousand in the current quarter and net recoveries of $128 thousand in the second quarter of 2019. Our provision continues to reflect our strong credit quality.

Our allowance for loan losses to total loans as of September 30, 2019, was 0.93% compared to 0.88% as of September 30, 2018. As of September 30, 2019 and 2018, we had purchase accounting discounts, associated with our two bank acquisitions, remaining of $3.55 million and $4.77 million, respectively. Adjusting for the remaining purchase accounting discounts, our allowance for loan losses to total loans would have been 1.08% and 1.12%, respectively.

Non-interest income and Non-interest expense

	For the Three Months Ended			Change Compared to	
Dollars in thousands	September 30, 2019	June 30, 2019	September 30, 2018	June 30, 2019	September 30, 2018
Non-interest income	$ 911	$ 812	$ 425	$ 99	$ 486
Non-interest expense	$ 12,154	$ 11,441	$ 11,173	$ 713	$ 981
Efficiency ratio	48.84%	48.47%	52.53%	37 bps	(369) bps

Non-interest income was $911 thousand for the third quarter of 2019, an increase of $486 thousand, or 114.4%, compared to the third quarter of 2018, and $99 thousand, or 12.2% compared to the second quarter of 2019. The increase compared to the prior year period was driven by an increase in referral fee income, recorded in other non-interest income, and an increase in fees earned on deposit accounts. Compared to the second quarter of 2019, the increase was driven by an increase in referral fee income.

Non-interest expense increased by $981 thousand, or 8.8%, in the third quarter of 2019 compared to the same period last year. The year-over-year increase was due to higher salaries and benefits, related to an increase in staff necessary to support our continued growth, merger costs, and an increase in occupancy costs, offset partially by an FDIC small bank premium credit related to the second quarter of 2019. Compared to the second quarter of 2019, non-interest expense increased $713 thousand, or 6.2%, primarily driven by increases in salaries and benefits, professional fees, and merger costs, offset partially by the previously mentioned FDIC small bank premium credit. Approximately $200 thousand of the increase in salaries and benefits was associated with the addition of a team of commercial lenders and support staff who joined the Bank during the second quarter of 2019. Also impacting non-interest expense for the three months ended September 30, 2019, was a $48 thousand reversal of gains recorded during the second quarter of 2019 on other real estate owned ("OREO"), as well as additional costs associated with carrying the OREO of $55 thousand, primarily driven by loan closing costs.

During the third quarter of 2019, our efficiency ratio improved to 48.84% compared to 52.53% in the same period last year. The improvement is primarily due to strong net interest income growth, non-interest income growth and continued economies of scale as we continue to grow. Compared to the linked quarter, our efficiency ratio increased slightly to 48.84% from 48.47%.

Performance Ratios

	For the Three Months Ended			Change Compared to	
	September 30, 2019	June 30, 2019	September 30, 2018	June 30, 2019	September 30, 2018
Return on average assets (annualized)	1.20%	1.25%	1.21%	(5) bps	(1) bps
Return on average equity (annualized)	11.20%	11.27%	13.00%	(7) bps	(180) bps

Return on average assets decreased five basis points and return on average equity decreased seven basis points, compared to the second quarter of 2019. The decrease in return on average assets and return on average equity, compared to the second quarter of 2019, was driven by the change in our earning asset mix resulting in a larger cash position, despite strong earnings during the period. Return on average assets and return on average equity declined by one basis point and 180 basis points compared to the third quarter of 2018, despite stronger earnings, due to the impact of our capital raise late in the third quarter of 2018, as well as the previously mentioned large increase in cash. In addition when compared to the three months ended September 30, 2018, return on equity was impacted by the continued improvement in the fair value of available-for-sale investment securities, which does not have an impact on earnings.

For the nine months ended September 30, 2019

Net interest income

In thousands	For the Nine Months Ended September 30, 2019	For the Nine Months Ended September 30, 2018	Change
Interest income	$ 95,188	$ 77,451	$ 17,737
Interest expense	26,756	16,767	9,989
Net interest income	$ 68,432	$ 60,684	$ 7,748
Yield on interest-earning assets	5.07%	4.82%	25 bps
Cost of interest-bearing liabilities	1.91%	1.35%	56 bps
Net interest margin	3.65%	3.77%	(12) bps

Net interest income increased $7.75 million for the nine months ended September 30, 2019, to $68.43 million as compared to $60.68 million for the nine months ended September 30, 2018. The increase was driven by loan growth over the period as well as higher rates charged on loans, partially offset by a higher cost of funds.

The net interest margin for the nine months ended September 30, 2019, decreased 12 basis points compared to the nine months ended September 30, 2018, due primarily to a flattened yield curve and changes in our earning asset mix. The cost of interest-bearing liabilities has risen 56 basis points. The increase in the cost of liabilities was primarily due to higher rates on certificate of deposit and money market accounts. The increased cost of interest-bearing liabilities was offset partially by higher yields on interest-earning assets, driven mostly by an increase in rates charged on loans.

Provision for Loan Losses

For the nine months ended September 30, 2019, the provision for loan losses was $3.61 million, compared to $2.75 million for the same period last year. The provision was impacted by our loan growth, very strong asset quality, and net charge-offs during the nine months ended September 30, 2019, of $367 thousand.

Non-interest income and Non-interest expense

Dollars in thousands	For the Nine Months Ended September 30, 2019	For the Nine Months Ended September 30, 2018	Change
Non-interest income	$ 2,212	$ 1,613	$ 599
Non-interest expense	$ 34,709	$ 32,411	$ 2,298
Efficiency ratio	49.13%	52.03%	(290) bps

For the nine months ended September 30, 2019, non-interest income increased $599 thousand, or 37.1%, to $2.21 million compared to $1.61 million for the nine months ended September 30, 2018. The increase was driven by an increase in deposit account fees and an increase in referral fee income, which is recorded in other non-interest income.

Non-interest expense increased to $34.71 million for the nine months ended September 30, 2019, compared to $32.41 million for the nine months ended September 30, 2018. The increase of $2.30 million, or 7.1%, was primarily driven by increases in salaries and benefits, occupancy expenses, and merger costs, offset partially by the FDIC premium credit, as previously mentioned.

Also impacting non-interest expense for the nine months ended September 30, 2019, was a gain on OREO of $93 thousand, offset by costs associated with carrying and selling the OREO of $180 thousand, primarily related to occupancy expense.

For the nine months ended September 30, 2019, the efficiency ratio was 49.13% compared to 52.03% for the nine months ended September 30, 2018, driven by our strong net interest income growth, non-interest income growth and moderate non-interest expense growth over the previous twelve months.

Performance Ratios

	For the Nine Months Ended		
	September 30, 2019	September 30, 2018	Change
Return on average assets (annualized)	1.23%	1.23%	0 bps
Return on average equity (annualized)	11.24%	13.50%	(226) bps

For the nine months ended September 30, 2019, return on average assets was unchanged and return on average equity decreased by 226 basis points. Return on average assets was flat despite higher earnings year to date in 2019, due to a significant increase in cash and due from banks, as previously mentioned. The decline in return on average equity for the nine months ended September 30, 2019, when compared to the nine months ended September 30, 2018, was impacted by our capital raise late in the third quarter of 2018 and the significant improvement in the fair value of available-for-sale investment securities during the period.

Balance Sheet Review

	For the Quarters Ended			Change Compared to	
In thousands	September 30, 2019	June 30, 2019	September 30, 2018	June 30, 2019	September 30, 2018
Assets	$ 2,835,191	$ 2,626,721	$ 2,317,700	$ 208,470	$ 517,491
Loans	2,366,490	2,294,945	1,997,511	71,545	368,979
Deposits	2,337,430	2,127,831	1,950,385	209,599	387,045
Federal Home Loan Bank advances	148,442	158,526	74,594	(10,084)	73,848
Stockholders' equity	295,228	286,281	255,905	8,947	39,323

Asset growth from September 30, 2018, to September 30, 2019, was $517.5 million, or 22.3%, and was driven primarily by loan growth and an increase in cash and due from banks. Assets increased $208.5 million compared to the prior quarter, or 7.9%, due to an increase in cash and due from banks and loan growth.

Loans increased $369.0 million, or 18.5%, compared to September 30, 2018, and increased $71.5 million, or 3.1%, compared to June 30, 2019. Loan increases over both periods continued to be primarily related to commercial real estate and commercial loan growth.

During the second quarter of 2019, we acquired OREO with a fair market value to the Bank of approximately $1.6 million at the time of acquisition, which was sold during the third quarter of 2019 at approximately its fair value.

Deposits increased $387.0 million, or 19.8%, and increased $209.6 million, or 9.9%, compared to September 30, 2018, and June 30, 2019, respectively. The increase compared to the prior year period was primarily driven by increases in money market, certificate of deposit and non-interest bearing accounts. When compared to the second quarter of 2019, deposit increases were driven by increases in money market and non-interest-bearing accounts. Non-interest-bearing deposits grew by 27.1% compared to September 30, 2018, and by 14.5% compared to June 30, 2019, reflecting our focus on growing non-interest-bearing deposits.

Federal Home Loan Bank ("FHLB") advances increased $73.8 million, or 99.0%, compared to the same period last year, and decreased $10.1 million, or 6.4%, compared to the linked quarter. The increase compared to the prior year was due to a strategic decision to borrow from the FHLB during the first half of 2019, as rates were more favorable than running deposit specials.

During the third quarter of 2019 deposit rates normalized and FHLB borrowing rates were no longer comparatively more favorable. We added $46.0 million and $106.0 million of new FHLB advances during the first and second quarters of 2019, respectively. New advances were offset partially by repayments throughout the year of existing advances.

Stockholders' equity increased $39.3 million, or 15.4%, compared to September 30, 2018. The very strong equity growth compared to the third quarter of 2018 was achieved primarily by continuing to accomplish record earnings each quarter. Stockholders' equity increased by $8.9 million, or 3.1%, compared to June 30, 2019, driven by record earnings for the three months ended September 30, 2019. The increases in equity were also impacted by activity in the investment portfolio resulting in net unrealized gains of $1.4 million as of the September 30, 2019, compared to net unrealized losses of $3.1 million as of September 30, 2018, and net unrealized gains of $1.3 million as of June 30, 2019.

Our capital ratios remain well above regulatory guidelines for well-capitalized banks. As of September 30, 2019, our total risk-based capital ratio and tier 1 leverage ratio were 13.30% and 9.79%, respectively, compared to 13.85% and 10.11%, respectively, as of September 30, 2018. As of September 30, 2019, our tangible equity to total tangible assets ratio was 9.46% compared to 9.85% as of September 30, 2018.

As of September 30, 2019, our tangible book value per share was $22.14, up 16.0% compared to $19.09 as of September 30, 2018. The increase in tangible book value per share was due to strong earnings per share during the trailing twelve month period.

Asset Quality Review

	For the Quarters Ended			Change Compared To	
Dollars in thousands	September 30, 2019	June 30, 2019	September 30, 2018	June 30, 2019	September 30, 2018
Non-performing assets	$ 903	$ 2,694	$ 1,809	$ (1,791)	$ (906)
Non-performing assets to total assets	0.03%	0.10%	0.08%	(7) bps	(5) bps
Loans 30-89 days past due and still accruing interest	$ 8,079	$ 7,730	$ 1,177	$ 349	$ 6,902
Loans 30-89 days past due and still accruing interest to total assets	0.28%	0.29%	0.05%	(1) bps	23 bps
Quarterly net charge-offs (recoveries)	$ 503	$ (128)	$ —	$ 631	$ 503

Asset quality continues to remain very strong. As of September 30, 2019, non-performing assets as a percentage of total assets improved even further to 0.03% compared to 0.10% and 0.08% as of June 30, 2019, and September 30, 2018, respectively. Non-performing assets decreased $1.8 million and $906 thousand compared to June 30, 2019, and September 30, 2018, respectively, primarily due to the previously mentioned sale of OREO.

Loans 30-89 days past due and still accruing interest increased $349 thousand compared to the linked quarter and $6.9 million compared to the same period last year. We had $503 thousand of net charge-offs during the third quarter of 2019, compared to no net charge-offs during the third quarter of 2018, and $128 thousand of net recoveries during the second quarter of 2019.

We are proactive in monitoring our loan portfolio for any indication of weakness and attempt to mitigate future risks across all lines of business.

Revere Bank is a Maryland state-chartered bank that commenced operations in November 2007. Our Bank is headquartered in Rockville and has 11 branches located in the suburban Maryland counties of Anne Arundel, Baltimore, Frederick, Howard, Montgomery, and Prince George's. Revere Bank is a community-based, full-service commercial bank that emphasizes the banking needs of community-based businesses, professional entities, and individuals. Further information on Revere Bank can be obtained by visiting our website at www.reverebank.com.

Contact:
Kenneth Cook, Co-President & CEO
(240) 264-5372
kenneth.cook@reverebank.com

Andrew Flott, Co-President & CEO
(240) 264-5340
andrew.flott@reverebank.com

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the Securities and Exchange Act of 1934, as amended, including statements of goals, intentions, and expectations as to future trends, plans, events or results of Bank operations and policies and regarding general economic conditions. In some cases, forward-looking statements can be identified by use of words such as "may," "will," "anticipates," "believes," "expects," "plans," "estimates," "potential," "continue," "should," and similar words or phrases. These statements are based upon current and anticipated economic conditions, nationally and in the Bank's market, interest rates and interest rate policy, competitive factors, and other conditions which by their nature, are not susceptible to accurate forecast, and are subject to significant uncertainty. Because of these uncertainties and the assumptions on which this discussion and the forward-looking statements are based, actual future operations and results may differ materially from those indicated herein. Readers are cautioned against placing undue reliance on any such forward-looking statements. The Bank's past results are not necessarily indicative of future performance.

Non-GAAP Financial Measures

Statements included in this press release include non-GAAP financial measures and should be read along with the Financial Highlights table, which provides a reconciliation of non-GAAP financial measures to GAAP financial measures. This press release and the accompanying tables discuss financial measures, such as tangible common equity, tangible assets, return on tangible common equity, tangible book value per share and allowance for loan losses, adjusted, which are non-GAAP measures. We believe that such non-GAAP measures are useful because they enhance the ability of investors and management to evaluate and compare the Bank's operating results from period to period in a meaningful manner. Non-GAAP measures should not be considered as an alternative to any measure of performance as promulgated under GAAP, nor are they necessarily comparable to non-GAAP performance measures that may be presented by other banks. Investors should consider the Bank's performance and financial condition as reported under GAAP and all other relevant information when assessing the performance or financial condition of the Bank. Non-GAAP measures have limitations as analytical tools, and investors should not consider them in isolation or as a substitute for analysis of the Bank's results or financial condition as reported under GAAP.

Revere Bank and Subsidiary
Consolidated Balance Sheets
(Dollars in thousands)

	September 30, 2019 (Unaudited)	June 30, 2019 (Unaudited)	December 31, 2018 (Audited)	September 30, 2018 (Unaudited)
Assets				
Cash and due from banks	$ 220,894	$ 82,281	$ 136,442	$ 104,740
Federal funds sold	—	—	—	12
Total cash and cash equivalents	220,894	82,281	136,442	104,752
Securities available-for-sale, at fair value	182,696	180,630	187,558	167,911
Equity securities, at cost	8,651	9,058	4,698	5,230
Loans	2,366,490	2,294,945	2,084,806	1,997,511
Less allowance for loan losses	21,952	21,052	18,712	17,521
Loans, net	2,344,538	2,273,893	2,066,094	1,979,990
Premises and equipment, net	3,887	3,872	4,283	4,169
Right-of-use assets	16,166	17,064	—	—
Accrued interest receivable	7,387	7,873	6,854	6,556
Deferred tax assets	5,982	5,712	6,397	6,528
Bank-owned life insurance	11,077	11,019	10,902	10,842
Goodwill	26,815	26,815	26,815	26,815
Core deposit intangibles	3,094	3,272	3,627	3,804
Other real estate owned	—	1,591	—	—
Other assets	4,004	3,641	1,541	1,103
Total Assets	$ 2,835,191	$ 2,626,721	$ 2,455,211	$ 2,317,700
Liabilities and Stockholders' Equity				
Liabilities				
Deposits:				
Non-interest-bearing demand	$ 448,076	$ 391,300	$ 368,063	$ 352,560
Interest-bearing	1,889,354	1,736,531	1,720,904	1,597,825
Total deposits	2,337,430	2,127,831	2,088,967	1,950,385
Federal Home Loan Bank advances	148,442	158,526	63,456	74,594
Subordinated debt, net	30,793	30,767	30,715	30,690
Lease liabilities	16,841	17,709	—	—
Accrued interest payable	1,408	1,700	1,320	791
Other liabilities	5,049	3,907	5,862	5,335
Total Liabilities	2,539,963	2,340,440	2,190,320	2,061,795
Stockholders' Equity				
Common stock, par value $5 per share; 30,000,000 shares authorized; shares issued and outstanding of 11,983,404 for September 2019, 11,972,628 for June 2019, 11,817,361 for December 2018, and 11,803,007 for September 2018	59,917	59,863	59,087	59,015
Surplus	147,350	146,861	145,076	144,538
Retained earnings	86,540	78,293	62,878	55,473
Accumulated other comprehensive income (loss)	1,421	1,264	(2,150)	(3,121)
Total Stockholders' Equity	295,228	286,281	264,891	255,905
Total Liabilities and Stockholders' Equity	$ 2,835,191	$ 2,626,721	$ 2,455,211	$ 2,317,700

Revere Bank and Subsidiary
Consolidated Income Statements
(Dollars in thousands, except per share data)
(Unaudited)

	Three Months Ended			Nine Months Ended	
	September 30, 2019	**June 30, 2019**	**September 30, 2018**	**September 30, 2019**	**September 30, 2018**
Interest income					
Loans, including fees	$ 31,741	$ 29,971	$ 25,933	$ 89,780	$ 73,662
Securities	1,093	1,159	929	3,430	2,646
Federal funds sold and other	884	492	541	1,978	1,143
Total interest income	33,718	31,622	27,403	95,188	77,451
Interest expense					
Deposits	8,366	7,573	5,625	23,350	14,378
Borrowed funds	910	797	471	2,018	1,000
Subordinated debt	467	461	463	1,388	1,389
Total interest expense	9,743	8,831	6,559	26,756	16,767
Net interest income	23,975	22,791	20,844	68,432	60,684
Provision for loan losses	1,402	1,436	645	3,607	2,751
Net interest income after provision for loan losses	22,573	21,355	20,199	64,825	57,933
Non-interest income					
Service charges on deposits	338	364	254	1,045	743
Disposal of premises and equipment	—	—	(26)	—	(26)
Earnings on bank owned life insurance	59	58	61	175	178
Other non-interest income	514	390	136	992	718
Total non-interest income	911	812	425	2,212	1,613
Non-interest expense					
Salaries and employee benefits	8,129	7,468	7,265	22,953	21,172
Occupancy and equipment	1,227	1,177	988	3,519	2,920
Legal and professional fees	280	226	388	765	1,081
Advertising	305	388	430	920	878
Data processing	696	664	657	1,997	1,887
FDIC premiums	3	332	330	648	1,029
Merger and acquisitions costs	200	—	—	200	—
Core deposit intangible amortization	178	177	178	533	533
Other real estate owned expense	55	125	—	180	—
(Gain) loss on other real estate owned	48	(141)	—	(93)	—
Other	1,033	1,025	937	3,087	2,911
Total non-interest expense	12,154	11,441	11,173	34,709	32,411
Income before taxes	11,330	10,726	9,451	32,328	27,135
Income tax expense	3,083	2,820	2,445	8,666	6,720
Net Income	$ 8,247	$ 7,906	$ 7,006	$ 23,662	$ 20,415
Basic earnings per common share	$ 0.69	$ 0.66	$ 0.68	$ 1.99	$ 2.02
Diluted earnings per common share	$ 0.67	$ 0.65	$ 0.65	$ 1.93	$ 1.94

Revere Bank and Subsidiary
Average Balance Sheets, Interest and Rate
(Dollars in thousands)
(Unaudited)

	Three Months Ended September 30, 2019			Three Months Ended September 30, 2018		
	Average Balance(1)	Interest Income-Expense	Average Yields/ Rates	Average Balance(1)	Interest Income-Expense	Average Yields/ Rates
Assets						
Loans, net (2)	$ 2,333,261	$ 31,741	5.40%	$ 1,969,777	$ 25,933	5.22%
Securities (3)	177,881	1,093	2.44%	166,094	929	2.22%
Federal funds sold and other (4)	156,139	884	2.25%	106,801	541	2.01%
Total interest-earning assets	2,667,281	33,718	5.02%	2,242,672	27,403	4.85%
Less: Allowance for loan losses	21,628			17,180		
Other assets	89,261			70,342		
Total Assets	$ 2,734,914			$ 2,295,834		
Liabilities & Stockholders' Equity						
Interest-bearing deposits	$ 1,798,640	8,366	1.85%	$ 1,589,091	5,625	1.40%
Federal Home Loan Bank advances	148,886	910	2.42%	100,253	471	1.86%
Subordinated debt	30,777	467	6.02%	30,673	463	5.99%
Total interest-bearing liabilities	1,978,303	9,743	1.95%	1,720,017	6,559	1.51%
Non-interest-bearing demand deposits	440,060			355,627		
Other liabilities	24,314			6,359		
Total Liabilities	2,442,677			2,082,003		
Stockholders' equity	292,237			213,831		
Total Liabilities & Stockholders' Equity	$ 2,734,914			$ 2,295,834		
Net interest income and margin (5)(6)		$ 23,975	3.57%		$ 20,844	3.69%

	Three Months Ended June 30, 2019		
	Average Balance(1)	Interest Income-Expense	Average Yields/ Rates
Assets			
Loans, net (2)	$ 2,195,845	$ 29,971	5.47%
Securities (3)	185,301	1,159	2.51%
Federal funds sold and other (4)	77,877	492	2.53%
Total interest-earnings assets	2,459,023	31,622	5.16%
Less: Allowance for loan losses	19,902		
Other assets	90,347		
Total Assets	$ 2,529,468		
Liabilities & Stockholders' Equity			
Interest-bearing deposits	$ 1,666,409	7,573	1.82%
Federal Home Loan Bank Advances	137,100	797	2.33%
Subordinated debt	30,751	461	6.01%
Other borrowed funds	2	—	2.70%
Total interest-bearing liabilities	1,834,262	8,831	1.93%
Non-interest-bearing demand deposits	387,780		
Other liabilities	26,097		
Total Liabilities	2,248,139		
Stockholders' equity	281,329		
Total Liabilities & Stockholders' Equity	$ 2,529,468		
Net interest income and margin (5)(6)		$ 22,791	3.72%

(1) Average balances are computed on a daily basis.
(2) Loans are presented net of average non-accrual loans for the period and unearned revenue.
(3) Includes securities available-for-sale.
(4) Includes federal funds sold, FHLB stock and interest-bearing deposits at other banks.
(5) Total interest income less total interest expense.
(6) Net interest margin is net interest income, expressed as a percentage of average interest-earning assets.

Revere Bank and Subsidiary
Average Balance Sheets, Interest and Rate
(Dollars in thousands)
(Unaudited)

	Nine Months Ended September 30, 2019			Nine Months Ended September 30, 2018		
	Average Balance[1]	Interest Income-Expense	Average Yields/ Rates	Average Balance[1]	Interest Income-Expense	Average Yields/ Rates
Assets						
Loans, net [2]	$ 2,212,892	$ 89,780	5.42%	$ 1,909,302	$ 73,662	5.16%
Securities [3]	183,853	3,430	2.49%	164,275	2,646	2.15%
Federal funds sold and other [4]	111,974	1,978	2.36%	76,804	1,143	1.99%
Total interest-earnings assets	2,508,719	95,188	5.07%	2,150,381	77,451	4.82%
Less: Allowance for loan losses	20,172			16,177		
Other assets	88,068			77,246		
Total Assets	$ 2,576,615			$ 2,211,450		
Liabilities & Stockholders' Equity						
Interest-bearing deposits	$ 1,723,077	23,350	1.81%	$ 1,541,122	14,378	1.25%
Federal Home Loan Bank Advances	117,735	2,018	2.29%	84,380	1,000	1.58%
Subordinated debt	30,751	1,388	6.03%	30,647	1,389	6.06%
Other borrowed funds	1	—	2.70%	1	—	2.25%
Total interest-bearing liabilities	1,871,564	26,756	1.91%	1,656,150	16,767	1.35%
Non-interest-bearing demand deposits	400,266			345,798		
Other liabilities	23,266			7,335		
Total Liabilities	2,295,096			2,009,283		
Stockholders' equity	281,519			202,167		
Total Liabilities & Stockholders' Equity	$ 2,576,615			$ 2,211,450		
Net interest income and margin [5][6]		$ 68,432	3.65%		$ 60,684	3.77%

(1) Average balances are computed on a daily basis.
(2) Loans are presented net of average non-accrual loans for the period and unearned revenue.
(3) Includes securities available-for-sale.
(4) Includes federal funds sold, FHLB stock and interest-bearing deposits at other banks.
(5) Total interest income less total interest expense.
(6) Net interest margin is net interest income, expressed as a percentage of average interest-earning assets.

Revere Bank and Subsidiary
Financial Highlights
(Dollars in thousands, except per share data)
(Unaudited)

	At or For the Three Months Ended			At or For the Nine Months Ended	
	September 30, 2019	June 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
Per Share Data and Shares Outstanding					
Earnings per share - basic	$ 0.69	$ 0.66	$ 0.68	$ 1.99	$ 2.02
Earnings per share - diluted	$ 0.67	$ 0.65	$ 0.65	$ 1.93	$ 1.94
Book value per share (1)	$ 24.64	$ 23.91	$ 21.68	$ 24.64	$ 21.68
Tangible book value per share (1)	$ 22.14	$ 21.40	$ 19.09	$ 22.14	$ 19.09
Weighted-average common shares - basic	11,979,830	11,925,915	10,329,900	11,918,528	10,098,968
Weighted-average common shares - diluted	12,251,743	12,222,396	10,705,221	12,230,398	10,530,008
Common shares outstanding at end of period	11,983,404	11,972,628	11,803,007	11,983,404	11,803,007
Performance Ratios					
Return on average assets (annualized)	1.20%	1.25%	1.21%	1.23%	1.23%
Return on average equity (annualized)	11.20%	11.27%	13.00%	11.24%	13.50%
Yield on interest-earning assets (annualized)	5.02%	5.16%	4.85%	5.07%	4.82%
Cost of interest-bearing liabilities (annualized)	1.95%	1.93%	1.51%	1.91%	1.35%
Net interest margin	3.57%	3.72%	3.69%	3.65%	3.77%
Efficiency ratio (2)	48.84%	48.47%	52.53%	49.13%	52.03%
Asset Quality					
Loans 30-89 days past due and accruing interest	$ 8,079	$ 7,730	$ 1,177	$ 8,079	$ 1,177
Loans 30-89 days past due and accruing interest to total assets	0.28%	0.29%	0.05%	0.28%	0.05%
Non-accrual loans	$ 903	$ 1,103	$ 1,809	$ 903	$ 1,809
Other real estate owned	$ —	$ 1,591	$ —	$ —	$ —
Non-performing assets (3)	$ 903	$ 2,694	$ 1,809	$ 903	$ 1,809
Non-performing assets to total assets (3)	0.03%	0.10%	0.08%	0.03%	0.08%
Allowance for loan losses to total loans (4)	0.93%	0.92%	0.88%	0.93%	0.88%
Allowance for loan losses, adjusted to total loans (4)	1.08%	1.08%	1.12%	1.08%	1.12%
Allowance for loan losses to non-performing loans	2,431.0%	1,908.6%	968.5%	2,431.0%	968.5%
Net loan charge-offs (recoveries)	$ 503	$ (128)	$ —	$ 367	$ 57
Regulatory Capital Ratios					
Total risk-based capital ratio	13.30%	13.21%	13.85%	13.30%	13.85%
Tier 1 risk-based capital ratio	11.09%	10.99%	11.45%	11.09%	11.45%
Tier 1 leverage ratio	9.79%	10.23%	10.11%	9.79%	10.11%
Common equity tier 1 ratio	11.09%	10.99%	11.45%	11.09%	11.45%
Common equity to total assets ratio (1)	10.41%	10.90%	11.04%	10.41%	11.04%
Tangible common equity to total tangible assets ratio (1)	9.46%	9.87%	9.85%	9.46%	9.85%
Other Information					
Number of full time equivalent employees	248	243	229	248	229
# Full service branch offices	11	11	11	11	11

(1) Tangible common equity, tangible assets, tangible common equity to tangible assets and tangible book value per common share are non-GAAP financial measures. Tangible common equity is computed as total stockholders' equity excluding intangible assets and goodwill. Tangible assets is computed as total assets excluding intangible assets and goodwill. Tangible common equity to tangible assets is the ratio of tangible common equity to tangible

assets. Tangible book value per common share is computed by dividing the total tangible common equity by the common shares issued and outstanding. The following table provides a reconciliation of total stockholders' to tangible common equity and a reconciliation of total assets to tangible assets:

	At or For the Three Months Ended		
	September 30, 2019	June 30, 2019	September 30, 2018
Total stockholders' equity (GAAP)	$ 295,228	$ 286,281	$ 255,905
Less:			
Goodwill	26,815	26,815	26,815
Core deposits intangible	3,094	3,272	3,804
Tangible stockholders' equity (non-GAAP)	$ 265,319	$ 256,194	$ 225,286
Total assets (GAAP)	$ 2,835,191	$ 2,626,721	$ 2,317,700
Less:			
Goodwill	26,815	26,815	26,815
Core deposits intangible	3,094	3,272	3,804
Total tangible assets (non-GAAP)	$ 2,805,282	$ 2,596,634	$ 2,287,081
Common equity to total assets ratio (GAAP)	10.41%	10.90%	11.04%
Tangible common equity to total tangible assets ratio (non-GAAP)	9.46%	9.87%	9.85%
Common shares outstanding	11,983,404	11,972,628	11,803,007
Book value per share (GAAP)	$ 24.64	$ 23.91	$ 21.68
Tangible book value per share (non-GAAP)	$ 22.14	$ 21.40	$ 19.09

(2) Efficiency ratio is non-interest expense divided by the sum of net interest income and non-interest income.
(3) Non-performing assets consist of non-accrual loans, loans 90 days or more past due and still accruing interest, and other real estate owned.
(4) Allowance for loan losses, adjusted and the allowance for loan losses, adjusted to total loans are non-GAAP financial measures. Allowance for loan losses, adjusted is calculated by adding credit marks established for acquired loans to the allowance for loan losses. The allowance for loan losses, adjusted to total loans is calculated by dividing the allowance for loan losses, adjusted by total loans for the period. The following table provides a reconciliation of allowance for loan losses to allowance for loan losses, adjusted:

	At or For the Three Months Ended		
	September 30, 2019	June 30, 2019	September 30, 2018
Allowance for loan losses	$ 21,952	$ 21,052	$ 17,521
Plus:			
Purchase accounting discounts	3,553	3,734	4,765
Allowance for loan losses, adjusted (non-GAAP)	$ 25,505	$ 24,786	$ 22,286
Total loans	$ 2,366,490	$ 2,294,945	$ 1,997,511
Allowance for loan losses to total loans (GAAP)	0.93%	0.92%	0.88%
Allowance for loan losses, adjusted to total loans (non-GAAP)	1.08%	1.08%	1.12%